

CHAIRMAN



UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C. 20436

February 3, 2005

The President
The White House
Washington, DC 20500

Dear Mr. President:

On February 3, 2005, the United States International Trade Commission issued a limited exclusion order and a cease and desist order pursuant to section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) in the USITC Investigation No. 337-TA-505, *Certain Gun Barrels Used in Firearms Training Systems*.

The limited exclusion order prohibits the importation into the United States for consumption of certain gun barrels used in firearms training systems covered by one or more of the following: claims 1-2, 4-5, 8, 15, 21-22 or 26 of U.S. Patent No. 5,829,180 or claims 1-3, 7, 9, 14-18, 20, 24, 27, 32-33, 37-40, 44-45, 49-51, and 54 of U.S. Patent No. 6,322,365. The order covers certain gun barrels used in firearms training systems that are manufactured abroad by or on behalf of, or imported by or on behalf of Crown Air Munition Holding, Air Munition International Corp., AMI Corp. SA, and Air Munition North America Inc., or any of their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns.

The cease and desist order prohibits Air Munition North America Inc. from conducting any of the following activities in the United States: importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for certain gun barrels used in firearms training systems covered by one or more of the above-referenced claims. The Commission determined that the statutory public interest factors enumerated in subsection (g)(1) of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337(g)(1)) do not preclude the issuance of this remedy.

The Commission also determined that the excluded gun barrels used in firearms training systems may be imported and sold in the United States during the Presidential review period under bond in the amount of 100 percent of the entered value of such items. I am transmitting to you, in accordance with subsection 337(j) of section 337 of the Tariff Act of 1930, a copy of the Commission's order and the record upon which its determinations are based.

Sincerely,


Stephen Koplan
Chairman

Enclosures

cc: The Honorable Robert B. Zoellick
United States Trade Representative

Stanford McCoy, Esq.
Office of the General Counsel
Office of the United States Trade Representative

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington D.C. 20436

In the Matter of

**CERTAIN GUN BARRELS USED IN
FIREARMS TRAINING SYSTEMS**

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) **Inv. No. 337-TA-505**
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**NOTICE OF COMMISSION ISSUANCE OF A LIMITED EXCLUSION ORDER AND A
CEASE AND DESIST ORDER AGAINST A RESPONDENT FOUND IN DEFAULT**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has issued a limited exclusion order and a cease and desist order against a respondent found in default in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Michael K. Haldenstein, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3041. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: This patent-based section 337 investigation was instituted by the Commission based on a complaint filed by Beamhit, LLC, and Safeshot, LLC, both of Columbia, Maryland, and Safeshot, Inc., of New York, New York. 69 Fed. Reg. 12346 (March 16, 2004). The complainants alleged violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain gun barrels used in firearms training systems by reason of infringement of claims 1, 2, 4, 5, 8, 15, 21, 22, and 26 of U.S. Patent No. 5,829,180 ("180 patent") and claims 1-3, 7, 9, 14-18, 20, 24, 27, 32, 33, 37-40, 44, 45, 49-51, and 54 of U.S. Patent No. 6,322,365 ("the '365 patent").

The complaint named Widec S.A. Décolletage ("Widec"), of Moutier, Switzerland, AMI Corp. SA ("AMI"), of Moutier Switzerland, Crown AirMunition Holding, of Hilversum, The Netherlands, AirMunition International Corp. of Hilversum, The Netherlands, AirMunition Industries S.A., of Belprahon-Moutier, Switzerland, and AirMunition North America, Inc., of Norcross Georgia as respondents.

On April 27, 2004, complainants filed a motion, pursuant to Commission Rule 210.16, for an order to show cause and entry of a default judgement against Crown AirMunition Holding, AirMunition International Corp., AMI Corp. SA, and AirMunition North America Inc. (collectively "the AirMunition respondents"). The Commission investigative attorney ("IA") supported the motion. None of the respondents responded to the motion. On May 12, 2004, the administrative law judge ("ALJ") issued Order No. 6, requiring the AirMunition respondents to show cause why they should not be held in default, having not responded to either the complaint or the notice of investigation. The respondents did not respond to the show cause order. On August 16, 2004, complainants filed a motion for an order finding the AirMunition respondents in default due to the respondents' failure to respond to the ALJ's show cause order.

On September 21, 2004, the ALJ issued an ID finding the AirMunition respondents in default. Pursuant to Commission Rule 210.16(b)(3), the ALJ also found that the AirMunition respondents had waived their right to appear, be served with documents or contest the allegations in the complaint. No petitions for review of this ID were filed. On October 12, 2004, the ALJ's ID became the Commission's final determination after the Commission issued a notice indicating that it would not review the ID. On October 12, 2004, pursuant to Commission Rule of Practice and Procedure 210.16(c)(1), 19 C.F.R. § 210.16(c)(1), complainants filed a declaration seeking immediate entry of relief against the AirMunition respondents.

The complainants and the non-defaulting respondents, Widec and AMI, filed a joint motion to terminate the investigation as to Widec and AMI on September 2, 2004. The joint motion was based on a proposed consent order, filed pursuant to a settlement agreement and a limited license. The IA filed a response in support of the motion on September 13, 2004. The ALJ issued an initial determination ("ID") on September 21, 2004, terminating the investigation as to Widec and AMI. No petitions for review of this ID were filed. On October 12, 2004, the Commission issued a notice indicating that it would not review the ID, thereby adopting the ALJ's ID as the Commission's final determination.

On November 10, 2004, the Commission requested that the parties brief the issues of remedy, the public interest, and bonding with respect to the defaulting AirMunition respondents. On November 22, 2004, complainants and the IA submitted their main briefs, and on December 1, 2004, the complainants and the IA submitted reply briefs. Complainants and the IA both maintained that the appropriate remedy is a limited exclusion order and a cease and desist order.

The Commission found that each of the statutory requirements of section 337(g)(1)(A)-(E), 19 U.S.C. § 1337(g)(1)(A)-(E), has been met with respect to the defaulting AirMunition respondents. Accordingly, pursuant to section 337(g)(1), 19 U.S.C. § 1337(g)(1), and

Commission rule 210.16(c) 19 C.F.R. § 210.16(c), the Commission presumed the facts alleged in the amended complaint to be true.

The Commission determined that the appropriate form of relief in this investigation is a limited exclusion order prohibiting the unlicensed entry of certain gun barrels used in firearms training systems by reason of infringement of one or more of the following claims: claims 1, 2, 4, 5, 8, 15, 21, 22, or 26 of the '180 patent or claims 1-3, 7, 9, 14-18, 20, 24, 27, 32, 33, 37-40, 44, 45, 49-51, or 54 of the '365 patent. The order covers certain gun barrels used in firearms training systems that are manufactured abroad by or on behalf of, or imported by or on behalf of the AirMunition respondents or any of their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns. The Commission also determined to issue a cease and desist order prohibiting AirMunition North America Inc. from importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for certain gun barrels covered by the above-mentioned claims of the '180 patent and '365 patent. The Commission further determined that the public interest factors enumerated in section 337(g)(1), 19 U.S.C. § 1337(g)(1), do not preclude issuance of the limited exclusion order and cease and desist order. Finally, the Commission determined that the bond under the limited exclusion order during the Presidential review period shall be in the amount of 100 percent of the entered value of the imported articles. [The Commission's orders were delivered to the President on the day of their issuance]

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in section 210.16(c) of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.16(c)).

By order of the Commission.



Marilyn R. Abbott
Secretary to the Commission

Issued: February 3, 2005

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN GUN BARRELS USED IN
FIREARMS TRAINING SYSTEMS**

Inv. No. 337-TA-505

LIMITED EXCLUSION ORDER

The Commission has determined that there is a violation of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337), as amended, in the unlawful importation and sale by respondents Crown AirMunition Holding, AirMunition International Corporation, AirMunition Industries S.A. and AirMunition North America, Inc. of certain gun barrels used in firearms training systems covered by one or more of claims 1-2, 4-5, 8, 15, 21-22 and 26 of U.S. Patent No. 5,829,180 or one or more of claims 1-3, 7, 9, 14-18, 20, 24, 27, 32-33, 37-40, 44-45, 49-51, and 54 of U.S. Patent No. 6,322,365, owned by complainants.

Having reviewed the record in this investigation, including the written submissions of the parties, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined that the appropriate form of relief is a limited exclusion order prohibiting the unlicensed entry of infringing gun barrels used in firearms training systems. The Commission has further determined that the public interest factors enumerated in 19 U.S.C. § 1337(d) do not preclude issuance of the limited

exclusion order, and that the bond during the Presidential review period shall be in the amount of 100 percent of the entered value of the articles in question.

Accordingly, the Commission hereby **ORDERS** that:

1. Gun barrels used in firearms training systems that are covered by one or more of claims 1-2, 4-5, 8, 15, 21-22 and 26 of U.S. Patent No. 5,829,180 or one or more of claims 1-3, 7, 9, 14-18, 20, 24, 27, 32-33, 37-40, 44-45, 49-51, and 54 of U.S. Patent No. 6,322,365, that are manufactured abroad by or on behalf of, or imported by or on behalf of Crown AirMunition Holding, AirMunition International Corporation, AirMunition Industries S.A. and AirMunition North America, Inc., or any of their affiliated companies, parents, subsidiaries, or other related business entities, or their successors or assigns, are excluded from entry for consumption into the United States, entry for consumption from a foreign trade zone, or withdrawal from a warehouse for consumption, for the remaining terms of those patents, except under license of the patent owner or as provided by law.

2. Gun barrels used in firearms training systems that are excluded by paragraph 1 of this Order are entitled to entry for consumption into the United States, entry for consumption from a foreign trade zone, or withdrawal from a warehouse for consumption, under bond in the amount of 100 percent of entered value pursuant to subsection (j) of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337(j), from the day after this Order is received by the

President until such time as the President notifies the Commission that he approves or disapproves this action but, in any event, not later than 60 days after the date of receipt of this action.

3. In accordance with 19 U.S.C. § 1337(l), the provisions of this Order shall not apply to gun barrels used in firearms training systems that are imported by and for the use of the United States, or imported for, and to be used for, the United States with the authorization or consent of the Government.

4. The Commission may modify this Order in accordance with the procedures described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

5. The Secretary shall serve copies of this Order upon each party of record in this investigation and upon the Department of Health and Human Services, the Department of Justice, the Federal Trade Commission, and the U.S. Customs and Border Protection.

6. Notice of this Order shall be published in the *Federal Register*.

By Order of the Commission.



Marilyn R. Abbott
Secretary to the Commission

Issued: February 3, 2005

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

**CERTAIN GUN BARRELS USED IN
FIREARMS TRAINING SYSTEMS**

Inv. No. 337-TA-505

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED THAT AirMunition North America Inc. 7001 Peachtree Industrial Blvd., Suite 116, Norcross, Georgia, cease and desist from conducting any of the following activities in the United States: importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for, gun barrels used in firearm training systems that infringe one or more of claims 1-2, 4-5, 8, 15, 21-22 and 26 of U.S. Patent No. 5,829,180 or one or more of claims 1-3, 7, 9, 14-18, 20, 24, 27, 32-33, 37-40, 44-45, 49-51, and 54 of U.S. Patent No. 6,322,365, in violation of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337.

I.

Definitions

As used in this Order:

(A) "Commission" shall mean the United States International Trade Commission.

(B) "Beamhit LLC," "Safeshot, LLC," Safeshot, Inc." or "Complainants"

shall mean Beamhit, LLC, 10220 Old Columbia Road, Suite A & B, Columbia, Maryland 21046.

(C) "AirMunition North America, Inc." or "Respondent" shall mean AirMunition North America Inc., 7001 Peachtree Industrial Blvd., Suite 116, Norcross, Georgia 30092.

(E) "Person" shall mean an individual, or any non-governmental partnership, firm, association, corporation, or other legal or business entity other than AirMunition North American Inc. or its majority owned or controlled subsidiaries, successors, or assigns.

(F) "United States" shall mean the fifty States, the District of Columbia, and Puerto Rico.

(G) The terms "import" and "importation" refer to importation for entry for consumption under the Customs laws of the United States.

(H) The term "covered products" shall mean: occluded gun barrels used in firearms training systems that infringe one or more of claims 1-2, 4-5, 8, 15, 21-22 and 26 of U.S. Patent No. 5,829,180 or one or more of claims 1-3, 7, 9, 14-18, 20, 24, 27, 32-33, 37-40, 44-45, 49-51, and 54 of U.S. Patent No. 6,322,365, including, but not limited to, Respondent's occluded gun barrels for use with the Beretta 92F, Glock 17, Glock 22, Glock 23, Smith & Wesson 5906, Smith & Wesson 5946, Sig-Sauer 226, Sig-Sauer 228, Heckler & Kock MP5, Heckler & Kock USP, Heckler & Kock P7, Colt AR-15, Colt M-16, Colt M-4, Beretta Model 92 9mm, Beretta 92 recoil blue conversion Item Code No. 04-02-01, Beretta 92,

Browning HP, CZ 75 compact, Glock 17/22, Glock 19/23, H&K® USP, USP compact & MP5, Olympic Arms AR15 (M16), S&W® 5904, 5906, 5946, Sig 220, Sig 225, Sig 228, Sig 229, Walther P5, Walther P99, .38 Special, or .357 Revolver firearms.

II.

Applicability

The provisions of this Cease and Desist Order shall apply to Respondent and to any of its principals, stockholders, officers, directors, employees, agents, licensees, distributors, controlled (whether by stock ownership or otherwise) and/or majority-owned business entities, successors, and assigns, and to each of them, insofar as they are engaging in conduct prohibited by Section III, *infra*, for, with, or otherwise on behalf of Respondent.

III.

Conduct Prohibited

The following conduct of Respondent in the United States is prohibited by the Order. For the remaining term of the respective patents, Respondent shall not:

- (A) import or sell for importation into the United States covered products;
- (B) market, distribute, offer for sale, sell, or otherwise transfer (except for exportation), in the United States imported covered products;
- (C) advertise imported covered products;
- (D) solicit U.S. agents or distributors for imported covered products; or
- (E) aid or abet other entities in the importation, sale for importation, sale

after importation, transfer, or distribution of covered products.

IV.

Conduct Permitted

Notwithstanding any other provision of this Order, specific conduct otherwise prohibited by the terms of this Order shall be permitted if, in a written instrument, the owner of U.S. Patent No. 5,829,180 and U.S. Patent No. 6,322,365 licenses or authorizes such specific conduct, or such specific conduct is related to the importation or sale of covered products by or for the United States.

V.

Reporting

For purposes of this reporting requirement, the reporting periods shall commence on July 1 of each year and shall end on the subsequent June 30. However, the first report required under this section shall cover the period from the date of issuance of this Order through June 30, 2005. This reporting requirement shall continue in force until such time as Respondent will have truthfully reported, in two consecutive timely filed reports, that it has no inventory of covered products in the United States.

Within thirty (30) days of the last day of the reporting period, Respondent shall report to the Commission the quantity in units and the value in dollars of covered products that Respondent has imported or sold in the United States after importation during the reporting period and the quantity in units and value in dollars of reported covered products that remain in inventory in the United States

at the end of the reporting period.

Any failure to make the required report or the filing of any false or inaccurate report shall constitute a violation of this Order, and the submission of a false or inaccurate report may be referred to the U.S. Department of Justice as a possible criminal violation of 18 U.S.C. § 1001.

VI.

Record-keeping and Inspection

(A) For the purpose of securing compliance with this Order, Respondent shall retain any and all records relating to the sale, offer for sale, marketing, or distribution in the United States of covered products, made and received in the usual and ordinary course of business, whether in detail or in summary form, for a period of three (3) years from the close of the fiscal year to which they pertain.

(B) For the purpose of determining or securing compliance with this Order and for no other purpose, and subject to any privilege recognized by the federal courts of the United States, duly authorized representatives of the Commission, upon reasonable written notice by the Commission or its staff, shall be permitted access and the right to inspect and copy in Respondent's principal offices during office hours, and in the presence of counsel or other representatives if Respondent so chooses, all books, ledgers, accounts, correspondence, memoranda, and other records and documents, both in detail and in summary form as are required to be retained by subparagraph VI(A) of this Order.

VII.

Service of Cease and Desist Order

Respondent is ordered and directed to:

(A) Serve, within fifteen (15) days after the effective date of this Order, a copy of this Order upon each of its respective officers, directors, managing agents, agents, and employees who have any responsibility for the importation, marketing, distribution, or sale of imported covered products in the United States;

(B) Serve, within fifteen (15) days after the succession of any persons referred to in subparagraph VII (A) of this Order, a copy of the Order upon each successor; and

(C) Maintain such records as will show the name, title, and address of each person upon whom the Order has been served, as described in subparagraphs VII(A) and VII(B) of this Order, together with the date on which service was made.

The obligations set forth in subparagraphs VII(B) and VII(C) shall remain in effect until the date of expiration of U.S. Patent No. 5,829,180 and U.S. Patent No. 6,322,365, whichever is later.

VIII.

Confidentiality

Any request for confidential treatment of information obtained by the Commission pursuant to Sections V and VI of this Order should be in accordance

with Commission Rule 201.6, 19 C.F.R. § 201.6. For all reports for which confidential treatment is sought, Respondent must provide a public version of such report with confidential information redacted.

IX.

Enforcement

Violation of this Order may result in any of the actions specified in section 210.75 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.75, including an action for civil penalties in accordance with section 337(f) of the Tariff Act of 1930, 19 U.S.C. § 1337(f), and any other action as the Commission may deem appropriate. In determining whether Respondent is in violation of this Order, the Commission may infer facts adverse to Respondent if Respondent fails to provide adequate or timely information.

X.

Modification

The Commission may amend this Order on its own motion or in accordance with the procedure described in section 210.76 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 210.76.

XI.

Bonding

The conduct prohibited by Section III of this Order may be continued during the sixty (60) day period in which this Order is under review by the President pursuant to section 337(j) of the Tariff Act of 1930, 19 U.S.C. § 1337(j),


subject to Respondent posting a bond of 100% of entered value of the covered products. This bond provision does not apply to conduct that is otherwise permitted by Section IV of this Order. Covered products imported on or after the date of issuance of this order are subject to the entry bond as set forth in the limited exclusion order issued by the Commission, and are not subject to this bond provision.

The bond is to be posted in accordance with the procedures established by the Commission for the posting of bonds by complainants in connection with the issuance of temporary exclusion orders. *See* Commission Rule 210.68, 19 C.F.R. § 210.68. The bond and any accompanying documentation is to be provided to and approved by the Commission prior to the commencement of conduct which is otherwise prohibited by Section III of this Order.

The bond is to be forfeited in the event that the President approves, or does not disapprove within the Presidential review period, this Order, unless the U.S. Court of Appeals for the Federal Circuit, in a final judgment, reverses any Commission final determination and order as to Respondent on appeal, or unless Respondent exports the products subject to this bond or destroys them and provides certification to that effect satisfactory to the Commission.

The bond is to be released in the event the President disapproves this Order and no subsequent order is issued by the Commission and approved, or not disapproved, by the President, upon service on Respondent of an order issued by the Commission based upon application therefore made by Respondent to the Commission.

By Order of the Commission.


Marilyn R. Abbott
Secretary to the Commission

Issued: February 3, 2005

Holden

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

In the Matter of

CERTAIN GUN BARRELS USED IN
FIREARMS TRAINING SYSTEMS

Investigation No. 337-TA-505

OFFICE OF THE
SECRETARY
MAY 13 2004

ORDER NO. 7: INITIAL DETERMINATION Finding Respondents Crown AirMunition Holding, Air Munition International Corp., Air Munition Industries, S.A., and Air Munition North America, Inc. in Default

By publication of the notice of investigation in the *Federal Register* on March 16, 2004, this investigation was instituted pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended. 69 Fed. Reg. 12346 (2004). The original notice of investigation lists as the complainants: Beamhit, LLC of Columbia, Maryland; SafeShot, LLC of Columbia, Maryland; and SafeShot, Inc. of New York, New York. *Id.* The notice of investigation also lists as the respondents: Wided S.A. Décolletage ("Wided") of Moutier, Switzerland; AMI Corporation SA ("AMI") of Moutier, Switzerland; Crown AirMunition Holding of Hilversum, The Netherlands; AirMunition International Corporation of Hilversum, The Netherlands; AirMunition Industries S.A. of Belprahon-Moutier, Switzerland; and AirMunition North America, Inc. of Norcross, Georgia.¹ *Id.* The Commission Investigative Staff of the Commission's Office of Unfair Import Investigations is also a party in this investigation. *Id.*

¹In this order, Crown AirMunition Holding, AirMunition International Corporation, AirMunition Industries S.A. and AirMunition North America, Inc. are referred to collectively as the "AirMunition respondents."

On April 27, 2004, the complainants filed their "Motion for an Order to Show Cause and Entry of Default Judgment Against Respondents Crown AirMunition Holding, AirMunition International Corporation, AirMunition Industries, S.A. and AirMunition North America, Inc." Motion Docket No. 505-1. None of the AirMunition respondents filed a response to that motion.²

On May 12, 2004, the Administrative Law Judge issued Order No. 6, stating that the AirMunition respondents apparently had not responded to the complaint and notice of investigation.³ It was further noted that the AirMunition respondents had not responded to the motion for a show cause order, had not served discovery statements as required by Order No. 4, and had not attended the preliminary conference. Consequently, the AirMunition respondents were ordered by the close of business on May 24, 2004, to show cause why they should not be found in default.

None of the AirMunition respondents responded to the show cause order.

On August 16, 2004, the complainants filed a motion for an order to find the AirMunition respondents in default due to their failure to answer the complaint and their failure to respond to Order No. 6 to show cause. Motion Docket No. 505-3.

Inasmuch as the AirMunition respondents have not answered the complaint and notice of investigation, and did not respond to the order to show cause, they must be found in default.

²The Commission's Rules provide that if a nonmoving party fails to respond to a motion, it may be deemed to have consented to the granting of the motion. *See* 19 C.F.R. § 210.15(c).

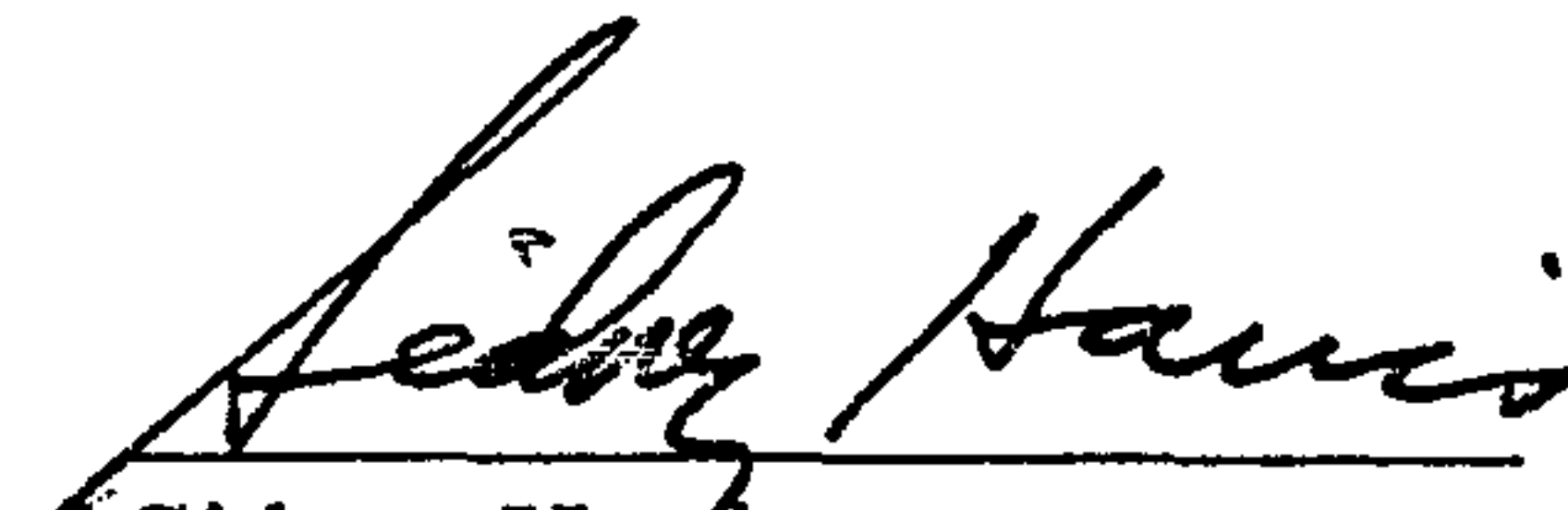
³Commission Rule 210.16(a)(1) provides that a party shall be found in default if it fails to respond to the complaint and notice of investigation in the manner prescribed by the Commission's Rules, and fails to show cause why it should not be found in default. 19 C.F.R. § 210.16(a)(1).

Accordingly, Motion No. 505-3 is GRANTED, and it is the INITIAL DETERMINATION of the Administrative Law Judge that Crown AirMunition Holding, AirMunition International Corporation, AirMunition Industries S.A. and AirMunition North America, Inc. are in default.

Consequently, the AirMunition respondents have waived their right to appear, to be served with documents, and to contest the allegations at issue in the investigation. *See* 19 C.F.R. § 210.16(b)(3).

Respondents Widec and AMI remain in this investigation,⁴ and thus this initial determination does not terminate the investigation in its entirety.

Pursuant to 19 C.F.R. § 210.42(h), this initial determination shall become the determination of the Commission unless a party files a petition for review of the initial determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the initial determination or certain issues contained herein.


Sidney Harris
Administrative Law Judge

Issued: May 20, 2004

⁴A motion to terminate Widec and AMI from this investigation on the basis of a consent order stipulation and consent order is pending. *See* Motion Docket No. 505-8.